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ABSTRACT

The Department of Agriculture's program for purchasing and distributing commodities for the school lunch program was reviewed in 15 school districts, one very large, one medium sized, and one small school district in each of five states--California, Kansas, Missouri, Ohio, and Pennsylvania. The objectives of the review were to (1) assess the responsiveness of the federal commodity program to the needs of school districts, (2) evaluate the advantages and disadvantages of school districts receiving cash in lieu of federal commodities under the school lunch program, and (3) assess the reasons for plate waste in the school lunch program and identify possible solutions to the problem. Among the recommendations made are (1) taking positive steps to make sure that the commodity program is more responsive to the problems and needs of local school districts, (2) greater promotion of nutrition education in school health programs to help reduce plate waste, (3) encouraging state and local school authorities to improve lunch facilities and atmosphere, and (4) including a nutrient standard as an option to the type A lunch pattern to provide greater flexibility in using commodities. (Author/MLF)

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ED135078

*REPORT TO THE COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES*

*BY THE COMPTROLLER GENERAL OF THE UNITED STATES*

RELEASED

# The Impact Of Federal Commodity Donations On The School Lunch Program

## Department of Agriculture

Purchase and distribution of commodities for the school lunch program by Department of Agriculture go a long way toward meeting the needs of school districts. However, some improvements are needed to make the school lunch program more effective and responsive to such needs.

School districts in one State receive cash to buy commodities instead of receiving commodities from the Department. Essentially, commodity costs to the State's larger districts seem to be comparable to the Department's but costs to the smaller districts appear to be higher.

These and related issues, such as "plate waste" food not eaten by students--are discussed in this report.

FA 009 211



CED-77-32

JAN.31.1977

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-178564

The Honorable Carl. D. Perkins, Chairman
Committee on Education and Labor
House of Representatives

Dear Mr. Chairman:

This report discusses the responsiveness of the Federal commodity distribution program to the needs of the school lunch program. Although improvements are needed, we believe that the Department of Agriculture's surplus commodity removal and price support programs go a long way toward meeting the needs of local school districts.

The report also discusses the cash in lieu of commodity arrangement that is unique to Kansas and provides information and suggested corrective measures regarding the plate waste problem in the school lunch program.

This report contains recommendations to the Secretary of Agriculture on pages 41 and 42. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report. We will be in touch with your office in the near future to arrange for release of the report so that the requirement of section 236 can be set in motion.

As agreed with your office we are furnishing copies of this report to Congressman Charles A. Vanik and Senator Hubert H. Humphrey because of their special interest in its contents.

Sincerely yours,

Comptroller General
of the United States

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## ABBREVIATIONS

| | |
|---|---|
| AMS | Agricultural Marketing Service |
| ASCS | Agricultural Stabilization and Conservation Service |
| ERS | Economic Research Service |
| FNS | Food and Nutrition Service |
| GAO | General Accounting Office |

COMPTROLLER GENERAL'S
REPORT TO THE HOUSE COMMITTEE
ON EDUCATION AND LABOR

# THE IMPACT OF FEDERAL COMMODITY DONATIONS ON THE SCHOOL LUNCH PROGRAM
Department of Agriculture

## D I G E S T


The national school lunch program in the Department of Agriculture provides lunches to children and makes use of surplus agricultural commodities. The Department has designed a balanced lunch--called the Type A lunch--to meet children's nutritional requirements. This must be followed by schools participating in the program. (See app. V.)

Federal cash subsidies and commodities donated to school districts are based on the number of Type A lunches served.

Federal cash subsidies increased from $1.1 billion in school year 1973-74 to $1.5 billion in school year 1975-76 and commodity donations increased from $308 million to $433.5 million.


## COORDINATION BETWEEN PROGRAMS

In formulating commodity purchase plans, the Department's Food and Nutrition Service gives great weight to information submitted by the States on their commodity preferences. (See pp. 6 and 9.)

The Department's surplus removal and price support programs go a long way toward meeting the needs of school districts. However, improvements are needed to make the school lunch program more effective and responsive to school district needs.

## NEED FOR BETTER IDENTIFICATION AND CONSIDERATION OF SCHOOL DISTRICT COMMODITY NEEDS

The Food and Nutrition Service has not taken adequate steps to make sure that the commodity preferences reported by the States are based

on, and accurately reflect, school district needs. They sometimes do not. The Service believes that it is the States' responsibility to obtain from school districts their commodity preferences. (See pp. 4 to 6.)

The Service does not always poll the States in advance to determine the acceptability of commodities considered to be "traditional" items, and continues to provide them. (See p. 8.) Also, the Service has not required the States to pass on to the districts options on commodities that are sometimes available. (See pp. 17 and 19.)

There are times when the Department's policies for purchasing commodities to remove surpluses, to support prices, or to provide traditional items result in purchases of commodities which are not highly preferred by the States. (See pp. 6 to 9.)

Consequently, districts were being offered commodities that

--had limited appeal,

--were in amounts excess to their needs,

--were not in the desired form or size,

--were difficult to use, or

--were delivered at times unsuited to district needs. (See pp. 10 to 20.)

Although some quality problems have occurred from time to time, most school districts considered the overall quality of Federal commodities to be good. Spoilage was minimal. (See pp. 20 to 23.)

These shortcomings resulted in

--difficulties or inconveniences in preparing and serving school lunches (see pp. 14 to 20);

--a reduction amounting to from 1 to 5 cents per lunch in Federal assistance to school districts because of their

refusals of large quantities of some commodities (see pp. 11 to 14);

--increased storage, administrative, and processing costs (see pp. 14 to 20); and

--increased "plate waste" because of servings of commodities having limited appeal (see pp. 28 and 29) or repetitive servings of commodities received in excessive amounts (see pp. 14 to 16).

The Food and Nutrition Service should take more positive steps to make sure that the commodity program is more responsive to the problems and needs of local school districts.

FEDERAL CASH OR COMMODITIES?

Kansas is the only State eligible to receive all cash in lieu of any donated Federal commodities. School officials in Kansas told GAO that this arrangement has eliminated various inconveniences associated with the earlier commodity program and has provided more menu variety. (See p. 34.)

Commodity costs to the larger districts seem to be comparable to the Department's but costs to the smaller districts appear to be higher. (See pp. 35 and 36.)

Most districts, especially the larger ones in the other States GAO visited--California, Kansas, Missouri, Ohio, and Pennsylvania--would prefer to receive cash in lieu of Federal commodities. (See pp. 35 to 38.)

Under such an arrangement, food cost to the smaller districts might increase. (See p. 35.) And this could hinder achievement of the Department's surplus removal and price support goals unless the purchases of approximately 90,000 school districts could be coordinated to buy assigned quotas of designated commodities from areas where surpluses were greatest.

PLATE WASTE

Officials throughout the program recognize plate waste to be a problem (see p. 24) and believe that nutrition education, more menu variety, and a better lunchroom atmosphere are the primary solutions. (See pp. 29 to 32.)

It would be beneficial to include as an option to the Type A lunch pattern, a nutrient standard which would permit more flexibility in menu planning. (See pp. 31 and 32.)

RECOMMENDATIONS

The Secretary of Agriculture should:

--Establish procedures so that school districts' views are reflected in preference reports and considered in the purchase and distribution of Federal commodities.

--Require States to pass on to the school districts all available commodity options.

--Expand the means of finding out from the States and school districts what commodities are acceptable.

--Improve the timing of Federal commodity deliveries.

--Review costs and benefits of providing commodities in more acceptable form and quality.

--Undertake greater promotion of nutrition education in school health programs to help reduce plate waste.

--Do more to encourage State and local school authorities to improve lunch facilities and atmosphere.

--Require States to give districts more advance notice of commodity deliveries.

--Include a nutrient standard as an option to the Type A lunch pattern to provide greater flexibility in using commodities. (See pp. 41 and 42.)

The Department of Agriculture generally agreed with GAO's findings and conclusions and said it would make every effort to implement GAO's recommendations. (See app. III.)

## CHAPTER 1

## INTRODUCTION

At the request of Congressman Carl D. Perkins, Chairman of the House Committee on Education and Labor and Congressman Charles A. Vanik, we reviewed the Department of Agriculture's program for purchasing and distributing commodities for the school lunch program. (See app. I and II.)

We made our review in 5 States--California, Kansas, Missouri, Ohio, and Pennsylvania--and 15 school districts. (See app. IV.) The overall objectives were to

--assess the responsiveness of the Federal commodity program to the needs of school districts,

--evaluate the advantages and disadvantages of school districts receiving cash in lieu of Federal commodities under the school lunch program, and

--assess the reasons for plate waste (food served to the student but not eaten) in the school lunch program and identify possible solutions to the problem.

## LEGISLATIVE AUTHORIZATION

The school lunch program, authorized by the National School Lunch Act of 1946, as amended (42 U.S.C. 1751 et seq.), is designed to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other foods. The Food and Nutrition Service (FNS), Department of Agriculture, working through State agencies, administers the program. The program operates in the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, and American Samoa. In fiscal year 1976, about 89,700 of the approximately 100,000 eligible schools participated in the program. During the peak month--November 1975--in school year 1975-76, about 25.9 million children were served lunches daily.

The program is carried out with cash made available under sections 4, 6, 11, and 16 of the National School Lunch Act and with commodities made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), and sections 6 and 14 of the National School Lunch Act.

Lunches served by participating schools must consist of foods from a food pattern--the Type A lunch--designed by the Department to meet children's nutritional requirements. (See app. V.) Payments of Federal cash subsidies and donations of commodities are based on the number of Type A lunches served.

FNS established a commodity assistance level of 7 cents per Type A lunch for school year 1973-74. In June 1974, section 6 was amended to require that not less than 10 cents per Type A lunch be provided in commodities or cash. The donation value per Type A lunch is updated annually to reflect changes in the Consumer Price Index. In school year 1975-76, it was increased to 11 cents per lunch.

At least 75 percent of the commodity assistance must be in the form of donated food; the balance in cash or donated food. The commodities are required to be distributed in accordance with needs determined by local school authorities.

To determine school district preferences, FNS requires each State to submit a preference report annually showing their commodity preferences.

Section 6 also requires that, if FNS estimates as of February 15 of any year that it will be unable to provide the States with at least 90 percent of the total commodity assistance initially programed for the schools based on the congressionally mandated "cents-per-lunch" level, the difference between the initially programed level and the then estimated value will be given to the States in cash from section 32 funds. 1/

In addition, section 16 authorizes any State that phased out its commodity distribution facilities before June 30, 1974, to receive all cash in lieu of any commodities. Kansas is the only State qualifying for such payments.

## COMMODITY PROCUREMENT AND DISTRIBUTION

FNS works closely with the Department's Agricultural Stabilization and Conservation Service (ASCS) and Agricultural Marketing Service (AMS) in attempting to insure that donated commodities meet the needs of the school districts. ASCS is responsible for purchases of section 416 commodities, such as

1/Section 32 funds consist of 30 percent of the gross receipts from duties collected under the customs laws.

grains and dairy products, whereas AMS is responsible for purchases of commodities, such as fruits and meat products, funded with section 6 and 32 funds. FNS, through its seven regional offices (six at the time of our review), allocates the commodities to the responsible State agencies who, in turn, allocate the commodities to participating school districts. Allocations are based on estimates made by FNS before the start of each school year, of the number of Type A lunches to be served by the schools. In four of the five States in our review, the commodities were shipped to State warehouses and picked up by the districts. In Missouri, the commodities were picked up by the districts at railroad sidings.

PROGRAM GROWTH

As shown in appendix VI, Federal cash payments to the States increased from about $1.1 billion in school year 1973-74 to about $1.5 billion in school year 1975-76. The commodity donation program increased from $308 million in school year 1973-74 to $433.5 million in school year 1975-76. An additional cash payment of $32.5 million was made to the States for school year 1975-76 because FNS estimated as of February 15, 1976, that at least 90 percent of the commodity assistance initially programed would not be provided.

As shown in appendix VII, 8 of the 10 school districts for which we obtained estimated cost data served more Type A lunches in school year 1974-75 than in the previous year, and 9 of the 10 districts experienced increases in the cost of a lunch. Most of the districts anticipated further cost increases in school year 1975-76.

## CHAPTER 2

## NEED FOR BETTER IDENTIFICATION AND CONSIDERATION OF SCHOOL DISTRICT COMMODITY NEEDS

FNS solicits information on school districts' needs from the States so that commodities can be purchased to meet these needs. Although FNS recognizes the need for local school district input, its regional offices have not emphasized to the States the importance of obtaining data from school districts on their commodity needs, and have not followed up to insure that district needs are identified and subsequently considered in the State-prepared commodity preference reports. Because State officials usually prepare the reports with only limited input from the districts, the reports do not always reflect district needs. In addition, the reports do not provide a means for showing the quantities of commodities required to meet districts' needs.

FNS, AMS, and ASCS, in making commodity purchasing decisions, also consider other factors, such as food surpluses and price supports for certain commodities, which may override the needs shown in the preference reports.

As a result of the limited input by school districts regarding the types and quantities of commodities needed, and because of decisions to clear surpluses of some commodities not on, or low on, the preference lists, some commodities are offered that the districts do not prefer or that are excess to the districts' needs.

### LIMITED LOCAL INPUT OBTAINED IN DETERMINING PREFERRED COMMODITIES

Before FNS meets with ASCS and AMS to formulate the Department's annual purchase plans, the FNS regional offices solicit information on school districts' commodity preferences from the States. This is done by means of a standard form which, in school year 1975-76, had 12 protein foods, 14 fruits, and 12 vegetables preprinted on it. (See app. VIII.) The regional offices have been instructed to emphasize that responsible State officials should consult with representative groups of school lunch supervisors before completing the form to show the six most preferred items in each category. Space is available for commenting on grade, quality, package or can size, and acceptability of individual items, but quantity information is not requested.

The three FNS regional offices responsible for the five States included in our review did not emphasize to State officials the need to consult with local district officials nor follow up to insure that local school district input was obtained. As a result, the amount of local input, as detailed below, was very limited.

--The Ohio preference reports for school years 1973-74 and 1974-75 were completed by six food consultants of the Ohio Department of Education's Division of School Food Service. Although the consultants visited schools in the State at various times during the year, they did not solicit direct input from the school districts regarding commodity preferences. The preference report for 1975-76 was prepared by the distribution agent, Ohio Department of Administrative Services, with no school district input. The report for 1976-77 was also prepared by the distribution agent but, as a result of our discussions, he obtained input from 125 of the approximately 600 school districts.

--In Pennsylvania the commodity preference report was prepared each year by the Director, Food and Nutrition Service, Department of Education, with no input from the school districts.

--In Kansas (when the State was receiving commodities) and Missouri, Department of Education Food Service Division personnel who have periodic contact with the school districts completed the reports with no direct input from the school districts.

--In California State officials solicited input from 36 of approximately 1,000 school districts. Input was not solicited from Los Angeles, the largest district in the State.

Because of the limited input by local school districts, the preference reports prepared by State officials do not always reflect accurately the local districts' preferences. For example, a comparison of Ohio's 1976-77 preference report, which was based on input from 125 school districts, with the report prepared by the distribution agent for 1975-76 showed that such commodities as peach halves, raisins, sweet potatoes, mixed frozen vegetables, and frankfurters selected by the distribution agent for 1975-76 were not considered preferred items by the districts. In Missouri, the three districts included in our review (including the largest in

the State) did not express a preference for orange juice, an item listed by the State as being preferred. Also, the districts preferred beef in natural juices and peach halves but these items were not selected by the State.

FNS officials know that some States fill out the preference reports with little or no local input. They recognize the need for local input but believe that the individual States should determine how the report is to be prepared. FNS does not follow up to determine specifically how the States prepare their commodity preference reports.

The amounts of Federal commodities purchased and allocated for the school lunch program do not take into account actual commodity usage at the school district level. FNS officials believe that they have sufficient information on school enrollments and other factors on which to base commodity purchases and that specific quantity information is not needed. An FNS official said that the amounts of commodities to be purchased can be translated into servings per child. For example, FNS estimates that only enough peanut butter is purchased and distributed in any one school year to provide about 6 servings per child, or about 1 serving every 23 school days. This procedure does not take into account such situations as in Cleveland where, for example, peanut butter is a limited-appeal commodity that is only provided to students in the form of processed peanut butter bars. Cleveland accepted only 60,400 pounds of the 589,000 pounds offered it in the last 3 years.

Although FNS encourages the processing of donated commodities into other food forms, this may not always be a satisfactory alternative. For example, servings of peanut butter bars or cookies do not contain enough peanut butter to meet the Type A lunch requirement and cause the local school districts to incur processing costs. If school districts could readily inform their respective States of the quantities of particular commodities needed, and this data was shown on the States' preference reports, it would help the districts to get not only the proper commodities but also the proper amounts of those commodities.

## ROLE OF PREFERENCE REPORTS IN FORMULATING PURCHASE PLANS

Preference report data provided by the States is used by FNS in its discussions with AMS and ASCS to formulate the Department's annual commodity purchase plans. However, when determining commodities to be purchased, specific consideration is also given to surpluses, need for price support, and possible disruption of commercial markets. As explained

below the weight given these factors differs depending on the source of the funds used for the purchases.

Section 6: Section 6 funds can be used to provide a broad range of food commodities for the school lunch program--they are not limited to commodities in surplus. Commodity procurements are made by AMS in accordance with a memorandum of understanding with FNS which covers such things as commodity selection, purchasing, delivery orders, shipping schedules, and claims adjustment. As required by the memorandum, purchase plans showing specific commodities to be purchased are submitted by AMS to FNS for approval.

It has been FNS policy to reserve section 6 funds for purchases of commodities which the States report are preferred. Our analysis of the purchases showed that, in fiscal year 1975, about 95 percent of the section 6 funds were spent on commodities which the States ranked as highly preferred. However, commodities that have limited appeal or that have traditionally been provided (such as sweet potatoes) have also been purchased.

An FNS official told us that the practice of purchasing sweet potatoes started about 15 years ago and that, because no complaints were received from the districts, the practice has continued. Although FNS headquarters complaint files did not contain any complaints on sweet potatoes for the last 5 years, FNS has known of the limited appeal of sweet potatoes because the item has ranked low on, or has not appeared on, FNS's composite of State preference lists.

Section 32: Purchases under this section are intended to remove temporary market surpluses of perishable products and to help stabilize farm prices. Section 32 commodities are purchased by AMS in accordance with the same memorandum of understanding as section 6 purchases.

Before each fiscal year begins, FNS meets with the various AMS commodity divisions to formulate purchase plans. The commodity divisions predict what surpluses will be available based on current inventories, planting intention reports, and other factors. Plans specifying the individual commodities to be purchased are then prepared by the divisions. The amount of any one commodity purchased with section 32 funds is subject to several constraints: (1) the amount of the commodity usable by the various FNS programs, (2) the amount of section 32 funds available, and (3) the requirement that not more than 25 percent of the available section 32 funds can be spent on any one commodity.

To remove market surpluses and also to meet school district needs, FNS tries to match those commodities which AMS has determined are eligible for surplus removal with those ranked as highly acceptable in the States' food preference reports. Our analysis of fiscal year 1975 commodity purchases showed that about 98 percent of the section 32 funds was spent on commodities that were ranked by the States as highly preferred. However, as explained earlier, State-reported commodity preferences do not necessarily coincide with local district preferences.

Even though the Department has established a policy that only commodities acceptable for a nationwide distribution will be donated to the States, limited appeal items can be purchased with section 32 funds and provided to school districts. FNS assumes that traditionally furnished commodities are acceptable to local school districts although this may not be so. To determine if an item that has not been traditionally supplied to the schools is acceptable, FNS polls the States before such purchases are made. Ninety percent of the States must agree that the commodity is acceptable before FNS allows AMS to make a purchase of a nontraditional item. However, FNS does not always poll the States in advance on the acceptability of items traditionally furnished, nor does it require the States to poll their school districts regarding the acceptability of either type commodity. Consequently, nontraditional commodities that may have limited appeal to many individual districts and traditional commodities that may not have high appeal to many States and districts can, and have been, purchased and distributed by the Department. An FNS official told us that FNS tries to keep purchases of limited-appeal items to the minimum amount required for a nationwide distribution.

One item that has been somewhat of a problem to school districts in this regard is cranberry sauce--a traditional item which was not initially included in the Department's 1975-76 purchase plan, but which was later purchased and provided to the schools even though it has limited appeal. An FNS official said that, although cranberry sauce is not included in the 1976-77 purchase plan, it probably will be provided again if large surpluses develop.

The timing of section 32 purchases depends on when commodity surpluses develop, and this sometimes does not tie in with school needs. An FNS official explained that FNS tries to space commodity deliveries to coincide with what the States say they need. However, there is no assurance that what the States say they need coincides with local

school district needs. Purchases of some commodities are made on a one-time basis at the peak of the packing season. Other commodities are purchased repeatedly when a surplus continues, sometimes on a weekly basis.

Section 416: Donations under this section are made from commodities acquired under the Department's price support program. Only commodities predetermined by the Congress or the Department as eligible for price support and determined to be surplus are available to FNS for the school lunch program, and then only when a determination is made that such disposition is necessary to prevent waste. An FNS official told us that, while commodities, such as wheat, corn, rice, barley, oats, rye, honey, peanuts, nonfat dry milk, and their products, can be made available, the 90 percent acceptability policy eliminates from future distribution to the school lunch program certain limited appeal items, such as rolled oats, rolled wheat, and other commodities which were available to the States in the past, and makes section 416 donations more compatible with the overall school lunch program.

Section 14: This section authorizes the expenditure of funds from sections 32 and 416 to purchase for the school lunch program agricultural commodities which are customarily acquired and donated under those sections but which currently do not meet the "surplus" provisions of those sections. Section 14 also mandates donations of cereal, shortening, and oil products.

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We have not attempted to assess the overall effectiveness of the surplus commodity removal and price support programs in achieving their commodity objectives; however, our limited work in this regard indicated that the formulation and execution of commodity purchase plans were generally in line with various commodity market indicators and Department predictions and analyses that were shown and explained to us. Although the Department has developed procedures which are intended to bring these commodity objectives into harmony with the reported needs of the school lunch program, the procedures have not been fully effective in assuring that the needs of local school districts are accurately identified and appropriately considered, thereby causing problems for the school lunch program. Chapter 3 discusses the impact of these problems on the program. Implementation of the recommendations outlined in chapter 6 should help make the program more effective and responsive to school district needs.

## CHAPTER 3

## IMPACT OF COMMODITY PROBLEMS ON THE SCHOOL LUNCH PROGRAM

Each of the 15 school districts included in our review experienced some problems with the Federal commodity program because their needs were not adequately considered in the purchasing, allocating, and delivering of commodities. The primary problems cited and the effects of those problems are summarized below and are discussed in detail in the following sections.

--Some commodities offered had limited appeal, were considered to be of poor quality, or were excess to the districts' needs or storage capacities. Consequently, the districts refused significant amounts of commodities, the value of which was counted against the amount of commodity assistance to which they were entitled. This reduced Federal assistance to their school lunch programs.

--Some commodities were offered too late in the school year. As a result, some commodities were refused, some were served repetitively causing increased plate waste, and others were stored over the summer months thereby increasing storage costs.

--Districts were not always informed of delivery dates. This affected local purchase decisions, limited the number of local suppliers willing to contract with the districts, and caused problems in negotiating food processing contracts.

--Districts with central kitchen preplating operations received some commodities that were incompatible with their food preparation systems. This limited the variety of food served to students receiving preplated lunches and increased storage costs because the commodities could only be used by schools providing cafeteria-type lunches and were therefore not used as rapidly as they otherwise would have been.

--Some commodities were offered in sizes and forms not preferred by the districts. As a result, some districts refused the commodities and others incurred increased food processing costs.

## REFUSAL OF DONATED COMMODITIES

Most State distribution agents feel obligated to accept all commodities offered by FNS because a State is charged for a commodity (the commodity is counted against the cash value of the commodity assistance level permitted by law) even if it is refused. Individual school districts in four of the five States covered in our review (including Kansas when it was receiving donated commodities) could refuse monthly or bimonthly commodity offers by their respective States. In Missouri, districts could refuse commodities only on an annual basis and were not permitted to take partial allocations. In each State, however, an offered commodity was counted against the school district's assistance level even when it was refused. Even though the States and districts realized the refusal of commodities reduced their share of Federal assistance, some commodities were refused because of various problems they presented.

Three of the 4 States and 10 of the 12 school districts currently receiving commodities had refused various commodity offers during the last 3 years. In addition, two of the three Kansas districts that we reviewed and that last participated in the commodity program in school year 1973-74 had refused commodities during that year. Of the 58 commodities offered, a portion of 33 were refused. (See apps. IX, X, XI.) Reasons for refusal are highlighted below.

### Section 6 commodities

Although section 6 funds have traditionally been used for purchasing commodities which States reported were preferred by school districts, a portion of 4 of the 13 commodities purchased under this section were refused for reasons discussed below.

French fries: In the last 3 years the Los Angeles and Perris (California) school districts refused 86 and 34 percent, respectively, of the french fries offered. Perris refused the fries because it did not have enough storage space and Los Angeles refused because the fries did not meet the district's quality standards. The Elyria (Ohio) district refused 63 percent of its french fry offer in 1975-76 because the offers were made too late in the school year and, consequently, were excess to its needs. Also, the Salina (Kansas) district refused some french fries in 1973-74 because the quantity offered was excess to its needs.

Sweet potatoes: The Los Angeles, Perris, and Paramount City (California) school districts refused 85, 52, and 42 percent, respectively, of the sweet potatoes offered in the last 3 years. The Salina (Kansas) district also refused a portion of its offer in 1973-74. Sweet potatoes were refused because of their limited appeal or because the amounts offered were excess to the districts' needs.

Orange juice: Missouri refused 14 carloads of orange juice in 1973-74. In addition, 6 of the 15 districts had refused orange juice in the last 3 school years. Four districts refused over 40 percent of the orange juice offered because the offers were excess to the districts' needs, enough storage space was not available, or the commodity container size was too small.

Beef patties: In February 1976, the Cleveland district refused 15,660 pounds of beef patties because patties are incompatible with its food preparation system. The district uses only fully cooked processed foods and does not have personnel or equipment to cook patties. Also, beef in patty form is not a preferred form in which to provide beef to the district's processors for conversion into various cooked products. In March 1976, at the request of the district, the State distribution agent provided frozen ground beef to replace the patties that were refused.

Section 32 commodities

Section 32 purchases are designed to remove temporary surpluses of perishable products from the market and to help stabilize prices to the farmers. Portions of 17 of the 26 commodities purchased under section 32 were refused by the school districts and States in our review. The following illustrates the primary reasons for refusal.

Dry beans: Pennsylvania refused 295,000 pounds of dry beans in school years 1974-75 and 1975-76. In addition, 8 of the 15 districts had refused dry beans in the last 3 years. Four districts refused over 80 percent of the dry beans offered. Dry beans were refused because they are difficult to prepare, are unacceptable in an unprocessed form, or were excess to the districts' needs.

Cranberry sauce: Pennsylvania refused 97,240 pounds of cranberry sauce in 1975-76. In addition, 7 of the 12 districts in four States had refused cranberry sauce during

the last 3 years. The commodity was refused because of its limited appeal to students, offers were poorly timed, or were excess to the districts' needs. The Los Angeles district refused over 90 percent of the cranberry sauce it was offered.

Dry pitted prunes: California asked the FNS Western Regional Office to reduce its allocation of prunes in 1975-76 because the Los Angeles district (the largest in the State) would not accept its allocation. In addition to Los Angeles, seven other districts we reviewed refused a portion of their offers because the commodity had limited appeal, the offers were made too late in the school year, or were excess to the districts' needs.

Section 416 commodities

Portions of 14 of the 19 commodities purchased under section 416 were refused by the States or school districts primarily because of their limited appeal and the need to further process them before they could be used. Some illustrations follow.

Dry milk: Nonfat dry milk was refused by Pennsylvania in school year 1974-75 and by Missouri in the following year. In addition, 8 of the 12 districts refused over 62 percent of the amounts offered by their States in 1975-76. The dry milk was refused because the offers were made too late in the school year or were excess to the districts' needs or because the commodity had limited appeal and required further processing before it could be used.

Rolled oats and rolled wheat: These commodities were last made available to the States in 1973-74 when the States were permitted to order as much as they wanted so long as the commodities were not wasted. All five States ordered the commodities but some districts refused to accept them--six districts refused rolled oats and five refused rolled wheat.

Ohio ordered large quantities of these items. Because of the limited appeal of the commodities, however, inventories were still in State warehouses in school year 1975-76 and the commodities were still being offered to the local districts by the State.

Impact of commodity refusals

Because commodities offered school districts generally are counted against their assistance level even when the

commodities are refused, such refusals can significantly reduce the level of Federal assistance to the school lunch program in those districts. This can be illustrated by contrasting the school districts in Kansas, where the commodity program is now totally paid in cash, with the eight districts in the other four States where we priced the cash-equivalent impact of commodity refusals. For school year 1974-75, the Kansas districts automatically received the full 10 cents per lunch prescribed by law, whereas seven of the eight districts in the commodity program received commodity assistance ranging from 5 cents to 9 cents per lunch.

In the last 3 school years, one of the eight districts (Elyria, Ohio) refused all or a portion of 20 commodities offered. For further details on commodities received and refused by the eight districts, see appendixes XI and XII.

POOR TIMING OF DELIVERIES

The refusal of commodities by districts and their consequent loss of Federal assistance is only one impact of FNS offering excessive quantities of certain commodities or offering them too late in the school year. Poor timing of deliveries and lack of sufficient advance notice by FNS of forthcoming allocations have adversely affected local purchase decisions, caused districts to make menu changes resulting in repetitive servings of some food items, and increased plate waste and storage costs. The following illustrations highlight these problems.

--The purchase of beef is generally announced by the Department in August when surpluses exist and prices are lower. Once the announcement is made, suppliers must respond, AMS must accept bids, and the beef must be allocated to the States and then to the school districts. The result is that ground beef, a high-protein commodity used throughout the school year, is usually provided to schools from February through June. Although FNS intends that all commodities delivered to schools be used in the same school year, the high concentration of deliveries late in the school year often makes this impractical.

--In school year 1973-74, the Department purchased some ground beef so late that it was not distributed to the States until the beginning of the following school year. As a result of this distribution plus additional Federal purchases during the year, beef was allocated to the school districts throughout the entire school year. This avoided problems similar to those

encountered by school districts in prior and subsequent years; that is, repetitive servings to reduce inventories and payments of storage costs over the summer months. Although the situation described above only happened by chance, it shows that better timing of purchases and deliveries could eliminate some of the problems encountered in managing the school lunch programs.

--French fries were offered to the districts late in school years 1974-75 and 1975-76. Cleveland, for example, was offered 100,710 pounds of french fries in March and April 1975. Repetitive servings had to be made to use the fries before the end of the school year.

--A district food service director in Pennsylvania told us that school districts need to know when they will receive donated commodities--not when they are being shipped. He cited a case where the school district was told in December 1974 that 8,000 gallons of frozen orange juice concentrate would be shipped that same month. However, the commodity was not received by the district until May 1975, just before the end of the school year. As a result, the school district incurred storage costs for the summer. The director said that adequate delivery information was particularly important when commodities must be processed, because the school district needs a certain amount of leadtime to contract for the processing. The director also identified 10 other commodities, such as french fries and chicken, where delivery timing was a problem.

--A district food service director in Pennsylvania commented that commodity deliveries often were ill timed. We were told that, invariably, as soon as the district received delivery of enough locally purchased food to last 3 months, a Federal allocation of some of the same items would be received--putting a strain on storerooms and freezers.

--A district food service director in Ohio told us that the lack of adequate notice of deliveries of donated commodities limits the number of local suppliers who will bid on food contracts. For example, although the district must inform food wholesalers in advance as to the district's anticipated needs of various items, it is not committed

to buy these amounts. The wholesaler, however, makes purchases to satisfy the district's anticipated needs. Thus when the same commodity is offered to the district by the State as a Federal donated item with no advance notice, as is often done, the local wholesaler is stuck with his purchase.

--In January 1976, Los Angeles agreed to accept 7,200 cases of donated vegetable oil shortening. Because the shortening had not been delivered when district stocks ran out early in March, the district had to make a purchase to fill its needs through April. The first deliveries of the donated shortening were finally received in late April. Because of the delay in delivery, additional administrative costs and inconveniences were incurred and most of the 7,200 donated cases had to be stored in a commercial warehouse over the summer.

--A Missouri State official told us that the Department "dumps" too much of certain commodities on the States and that too many commodities are received in April and May. He said excessive quantities result in the schools serving the item too often, with consequent increase in plate waste, while April and May commodity deliveries can cause the schools to incur storage costs for the summer. He cited as an example 15,600 cases of cheese--about a 2-1/2-year's supply for the State according to the official--received in April and May 1975.

## SOME COMMODITIES DIFFICULT TO USE IN CENTRAL KITCHEN PREPLATING OPERATIONS

Central kitchens were established to provide lunches to students attending schools without food preparation facilities. The lunches are prepared at the central kitchen and transported to the schools--primarily elementary schools. The lunches are either delivered in large bulk containers and served in a cafeteria-type setting or in a preplated form similar to a "TV dinner." Three of the larger districts in our review have a central kitchen preplating operation--St. Louis, Philadelphia, and Cleveland.

State allocation procedures do not always give adequate recognition to the fact that certain commodities are difficult to use in central kitchen preplating operations without additional processing. Some preplating operations have a problem using certain fruits, such as peaches and pears, which have been provided in halves, rather than a sliced form. Halves are too large to fit the trays and must be further processed before they can be used.

The Cleveland district, because of its extensive use of outside processors, was able to use many of the donated commodities in its central kitchen. However, the district was unable to use items, such as french fries and frozen chicken, in its central kitchen and consequently used them only in its secondary schools. Nevertheless, the State allocation was based on the total number of lunches served at both elementary and secondary school levels.

Officials of the St. Louis school district also indicated that some of the commodities allocated to it could only be served to 8,000 secondary school students but were allocated based on a total enrollment of 48,000. This contributed to increased storage costs for some items due to excessive inventories.

COMMODITIES NOT IN PREFERRED CONTAINER OR SIZE

The districts generally were satisfied with the sizes of most of the commodities and containers provided but cited some examples where improvements could be made. Some districts, for example, would prefer to receive canned poultry and beef in larger than 29-ounce cans. The primary complaint of Cleveland, Philadelphia, and Los Angeles officials concerned the receipt of orange juice in 32-ounce cans rather than in 5- or 55-gallon containers. Smaller containers are especially impractical for large volume central kitchen operations.

States have the option of ordering orange juice in any of the three container sizes as long as the orders are in carload lots. Because the smaller containers increase local district processing costs, Los Angeles refused over 50 percent of its offers in the last 3 years. Cleveland and Philadelphia accepted their offers but incurred the increased processing costs.

Over the last 3 years, Cleveland voiced complaints with the State distribution agent--who can specify container sizes. Cleveland finally received the orange juice in a larger container size late in school year 1975-76 after we asked at the State level why larger containers were not provided. We estimated that Cleveland could have saved over $60,000 in processing costs if the larger size container had been provided during the 3-year period.

## COMMODITIES NOT IN PREFERRED FORMS

Our discussions with school district officials and our review of processing contract data indicated that some commodities would be accepted by the districts in larger quantities and local processing costs could be reduced if the commodities were processed nationally for the Department and provided to the districts in a more readily usable form.

### Department policy on national processing

The Department is authorized to purchase processed commodities suitable for school district use. The current policy, as illustrated below, is to conserve section 32 and 416 funds for removal of surpluses from the market and to use section 6 funds to buy processed commodities to meet district needs. However, section 32 and 416 funds also are used for processed commodities when the districts experience extensive problems with commodities in an unprocessed form.

For example, section 32 commodities, such as apples, pears, cranberries, and prunes, are now provided in processed forms. The Department agreed to buy the commodities in the processed forms after school districts experienced extensive spoilage problems with fresh fruits and cranberries and refused to accept unpitted prunes. Also, now that the Department's inventory of dried milk has reached 400 million pounds and the school districts are refusing to accept additional amounts because of its limited usage, polls have been conducted by the Department to determine if the States will accept dry milk in different forms, such as mozzarella cheese, cottage cheese, and yogurt. If the States are willing to accept the commodities in a different form, section 416 funds will be used for processing.

### Greater acceptance of commodities and reduction in cost through national processing

As highlighted by the following examples, district processing costs could be reduced and greater commodity acceptance achieved if additional Federal commodities were provided in different forms.

Dry beans: Dry beans were purchased in each of the last 3 school years. Three of the four districts in our review that refused over 70 percent of the dry beans offered indicated they prefer canned beans. If dried beans were provided in a processed form, they would be more acceptable

to the districts and district processing costs could be reduced. In Cleveland, for example, over $13,000 was paid by the district to have dried beans processed into baked beans in school year 1973-74.

Butter and margarine: Three of the larger districts in our review preferred butter or margarine in the form of pats rather than prints. In school year 1975-76, the Philadelphia district rejected 2,560 cases of margarine in prints because it would have been too expensive, according to the district financial officer, to process the prints into pats. In the last 3 years, Cleveland incurred processing costs of $37,450 to have butter processed into pats.

In school year 1975-76, ASCS issued a purchase announcement for margarine in the form of pats, but received no responses. However, responses have been received to similar purchase announcements for 1976-77 and the commodity will be offered in a processed form. An FNS official told us that the Department would solicit bids for butter in a pat form if a surplus of butter develops.

Turkey: Before 1974-75, whole turkeys were purchased for the school lunch program and some school districts had them processed into turkey rolls at an additional cost because this is the commodity form they preferred. For the 1974-75 school year turkey rolls were purchased because, an FNS official explained, the Department was able to get a cheaper processing price and a higher production yield than the districts would have received. However, in school year 1975-76, whole turkeys were again purchased because turkey carcasses, which were in surplus at the time, were to be purchased with funds which normally are not used to finance processing costs.

Chicken: For the last 3 school years, cut-up chicken has been purchased by the Department for school lunches. For 1975-76, however, FNS for the first time gave States an option of accepting a portion of their chicken in a cooked form. Even though the Cleveland district paid $102,731 in the prior 2 years to have chicken processed into a cooked form, the State distribution agent did not give Cleveland the option of receiving cooked chicken. The opposite happened in Pennsylvania where Philadelphia was given the option by the State distribution agent and accepted it.

Because of size and form restrictions of its preplating operation, the Cleveland district has also had problems adapting the large pieces of chicken provided by FNS to its central kitchen operation. In response to such problems,

FNS in school year 1976-77 will give States the option of accepting whole chickens that can be cut into the desired number of pieces by the districts or their processors. It is not certain, however, whether the States will pass this option down to their local school districts.

POOR QUALITY OF SOME COMMODITIES

The majority of the districts considered the overall quality of donated commodities to be good. However, as detailed below, some districts considered the quality of french fries and canned poultry to be poor.

French fries

The Cleveland district received 5,455 cases of french fries in school year 1975-76. The Cleveland food service director complained of the quality of the fries to FNS and requested inspection of the shipments. The director highlighted the following problems:

--Bad taste.

--Defects or rotten spots on some of the fries.

--Carbon specks on the fries and pieces of carbon in some of the bags.

--Variation in color of the fries from bag to bag.

--Variation in size and inclusion of small pieces, slivers, and irregular pieces in the bags.

AMS inspections showed the french fires to be Grade A Institutional Type, the minimum quality standard required by the Department. The Cleveland district is purchasing Grade A Retail Type fries locally and expects the donated fries to be of equal quality. However, Grade A Institutional Type is similar to Grade B Retail Type.

The Los Angeles district also considered the french fries to be of poor quality. Because the fries did not meet the district's standards, 86 percent of the State's offers were refused in the last 3 years. Comments from five other districts which consider french fries to be of generally poor quality follow:

--French fries are undesirable because, if fried or baked in advance, they tend to get soggy by the time they are served. This leads to poor acceptability

by students. The district would not purchase french fries but would substitute "oven-fries or tater-tots."

--The quality of the donated french fries has been inconsistent. Some became soggy when ovenbaked.

--French fries are a high preference item, but some of those received were of poor quality.

--French fries received have a quality problem. They were limp and soggy; tater-tots were bought as a substitute.

--The last shipment was too dark and resulted in poor acceptance because they lacked eye appeal. The district would buy "tri-tators" instead.

Our review of the FNS headquarters complaint files showed that 15 complaints were received on french fries in the last 3 years. Of the districts we reviewed, however, Cleveland was the only one that had registered a complaint. Three of the 15 complaints resulted in the processor awarding FNS a discount because the fries were not Grade A. AMS inspectors attributed many of the problems to be the result of color irregularities and the districts not following cooking instructions. An AMS official told us that the specifications for french fry color in school year 1976-77 will be changed to improve eye appeal.

Canned poultry

Five districts considered the canned poultry received to be of poor quality. District officials said the poultry was stringy, tasteless, and lacked eye appeal. Some districts disguised the poultry in a variety of ways to gain student acceptance. However, none filed complaints with FNS.

SPOILAGE OF SOME COMMODITIES

We found no evidence of large quantities of spoiled donated commodities being reported to FNS and few instances of spoilage. However, because school districts may be liable for the fair market value or replacement of spoiled commodities if the districts are at fault, there is a disincentive to report spoilage.

For example, in Ohio one district had received spoiled cheese and had permitted rolled oats to spoil, but neither was reported to the State. Another district allowed commodities valued at $2,394 to spoil due to poor storage ventilation and reported the spoilage to the State. The State, as

directed by the FNS regional office, required the district to purchase replacements for the spoiled commodities.

The only spoilage reported in the last 2 years to FNS by the districts in our review was Cleveland's reporting of spoiled frankfurters. In March 1975, Cleveland was allocated 1,693 cases of frankfurters. Cleveland used 191 cases and found the quality to be good. However, some frankfurters from the remaining 1,502 cases were discolored and found to be spoiled by an independent laboratory. A visit by a Department inspector confirmed the independent laboratory's report. The 1,502 cases were then removed from the district and taken to the contractor's plant. At the contractor's plant, 94 of the 1,502 cases were found to be spoiled and were rejected by the Department. The remainder was transferred to another school district for its use.

Los Angeles received some frankfurters in school year 1974-75 that appeared to be spoiled but laboratory tests showed them to be edible. They were not well accepted by the students because they had a grey coloring rather than the color to which students are accustomed. Another district included in our review also considered frankfurters to have a quality problem.

In addition to the Cleveland complaint, FNS received four other complaints on frankfurters in school year 1974-75 from districts not included in our review. The complaints and their disposition are summarized below.

--Foreign matter was reported in a student's frankfurter. AMS could not make a thorough investigation of the incident because the school district could not provide the contract or order number to identify the producer.

--Frankfurters were offcolor and had a foreign odor. The contractor replaced the frankfurters.

--Frankfurter packages had lost their vacuum and the frankfurters were not in prime condition. AMS determined that the problem could have been avoided by proper stock rotation and/or use of the commodity upon receipt. For the future, the district was told to use the good frankfurters and set aside the bad. No bad frankfurters were found after that time.

--Frankfurters were offcolor. The State Department of Agriculture said that the frankfurters were usable but the county health department said they were not

usable. Because the health department has primary authority over such matters, FNS ordered the frankfurters destroyed. No action was taken against the supplier.

## CHAPTER 4

## CAUSES OF PLATE WASTE AND POSSIBLE SOLUTIONS

Officials at each level of the school lunch program recognize plate waste as a problem; however, studies to determine the extent of the problem, its causes, and possible solutions have been limited. Program officials believe that significantly more plate waste occurs in the elementary grades than at the secondary level but little is known about how much is actually wasted. Estimates from local school officials ranged from 8 to 50 percent at the elementary level and from 4 to 30 percent at the secondary level. Based on preliminary analysis of data from a January 1976 study, the Department estimated that about 15 percent of all school lunch food served is wasted.

According to program officials, plate waste does not appear to be more prevalent in any particular identifiable economic group, such as students who receive free or reduced-price lunches, students who pay full price, students who live in wealthy neighborhoods, or students who live in poor neighborhoods.

School lunch program officials generally agree that the primary causes of the problem are lunchroom atmosphere and conditions, lack of nutrition education, type of food served, and food preparation methods. Officials believe that solutions generally must start at the State and local levels; however, actions to date have met with mixed success. Some local officials believe that, to achieve the degree of success needed, the Type A requirement must be relaxed or some meaningful alternatives provided--some approach that would permit schools to serve a wider variety of foods, serve more preferred foods, and give students the option not to take foods they will not eat. Although Department officials pointed out that a wide variety of food choices can be offered under the Type A pattern, we noted that the pattern requires that specific types of foods be offered even though the nutrient objectives of the food pattern could be achieved in another manner. A nutrient standard method of menu planning could be used without offering each specified food type in the quantities specified in the Type A patttern.

School officials also believe that eliminating limited-appeal donated commodities could reduce plate waste. In one Kansas school district, an official estimated that plate waste has been reduced 50 percent in the district since the cash in lieu of commodities program started. The official said that this happened because the district was able to buy and serve more of the foods preferred by students, instead of serving

limited-appeal, donated commodities.

## STUDIES OF THE PLATE WASTE PROBLEM

Although studies of plate waste have been limited, as detailed below, several studies that recognize the problem, its causes, and possible solutions have been or are being made.

### California nutrition education project

A project to demonstrate the benefits of employing a nutrition education specialist at the State level to develop food service-related nutrition education programs was awarded to the California State Department of Education by the Department of Agriculture. The project covered the period May 1, 1973, through June 30, 1976, and included a study of children in kindergarten through grade 6. In assessing the need for the project, a State official stated that a significant number of students participating in the school lunch program fail to consume one-third or more of the food provided. The statement was based on the official's extensive personal experience and observations in California food service programs.

The first phase of the study was performed in 49 elementary schools serving Type A lunches to students in kindergarten through grade 3. To measure the effect that a comprehensive nutrition education program would have on plate waste, a uniform 5-day Type A menu series was served to students both before and after they were exposed to the program. The same menus also were served to students in control groups for comparison with the test groups. The comparison showed that plate waste was reduced 13 percent because of nutrition education.

The State Department of Education concluded from the first phase that a State level nutrition education specialist and staff, assisted by local education personnel, can develop a nutrition education program as a part of a schools' health program and utilize the food service program to improve the food habits of children, parents, and teachers.

The second phase which included children in kindergarten through grade 6 had not been completed at the time of our field work.

### Philadelphia Home and School Council survey

The Philadelphia Home and School Council conducted a self-initiated survey in October 1974 to find ways to provide the

best lunch possible and to curtail plate waste in the Philadelphia school district. The survey showed the need for cleaner food facilities, nutrition education, more discipline in lunchrooms, and a more accommodating eating facility to replace a storage facility being used as a lunchroom. As a result of the study, cleaner food facilities were provided, security officers were assigned to lunchrooms, and nutrition education was offered in 125 schools. A council official told us in April 1976 that, although plate waste was reduced significantly, it was still a problem.

Cleveland study of senior high option

During March through May 1974, the Cleveland school district made a study to determine what effect relaxation of the Type A requirement would have on plate waste. Students in one high school were given the option of accepting or declining individual food items, rather than accepting or declining the whole Type A lunch package as was normally done. The study results showed improved behavior in the cafeteria, increased lunch participation, decreased purchase of a la carte snack foods, definite rejection of total-package meals, and a decided reduction of plate waste.

Elyria study of plate waste

During our review at the Elyria school district, the food service supervisor visited two high schools, a junior high school, and three elementary schools during a 1-week period to determine the amount of plate waste in the school district. The supervisor stated that, to be accurate, a study should include an entire school year and include every school in the district. Such a study would take into account the fact that nutritional habits vary depending on such factors as the amount of nutrition education instilled at home, the type of menus served in the school, and age groups. Although the study was not designed to be all-inclusive or provide an indepth study of plate waste in the district, it showed that the value of the food wasted ranged from a high of 25 percent in one elementary school to a low of 8 percent in one of the high schools. It also showed that plate waste varied with the type of food served. In one high school, when macaroni and cheese was served, the waste was 15 percent; when mushroom steak was served, it was 8 percent.

Nutritional assessment study

The Department, in cooperation with local school districts, made a study in 104 elementary, junior, and senior high schools in 38 States in January 1976. The study objectives were to determine the amounts of food and nutrients

provided to, and consumed by, school children from the Type A lunch. Comparisons were made between the nutrients served and the program's nutritional goal, between the amount of food served and the amount consumed, and between schools preparing lunches on site and schools serving preportioned, delivered lunches.

Preliminary results based on the data gathered during this study indicated that less plate waste occurred when lunches were prepared and served onsite than when they were delivered to schools in a fully prepared form. Also, the study indicated that certain nutritious types of food specified in the Type A food pattern, such as vegetables, resulted in more plate waste than high-preference items, such as pizza which can meet the Type A pattern.

## CAUSES OF PLATE WASTE

According to Federal, State, and local program officials, plate waste has a variety of causes, the most prevalent of which are the following.

### Lunchroom atmosphere and conditions

Many officials believe that influences in the lunchroom impact strongly on the students' desire to eat their lunches. These influences included unattractive decor, short and hurried lunch periods, lack of adequate supervision and interest by teachers and food service personnel, and peer group pressures not to eat certain foods.

### Lack of nutrition education

Because there is little or no nutrition training, many students have not been taught the value of nutrition for their well being and have not been encouraged to eat nutritious foods.

### Type of food served

The lack of menu variety, serving of limited-appeal commodities, offering unfamiliar foods to children, and preparing familiar foods in an unfamiliar manner all add up to much plate waste. The availability of snack foods in some schools also lessens the desire and incentive of children to eat some of the less preferred Type A lunch components.

### Food preparation methods

The use of preplated lunches often lessens the eye appeal of many foods. Although nutritious, the foods are not as

appealing as when offered in a cafeteria-style setting.

The Type A lunch requirement contributes to plate waste

Officials in 11 of 15 school districts in our review believe that certain aspects of the Department's Type A lunch requirement contributed to plate waste. They told us that:

--Children, typically, do not like some foods required to be offered as part of the lunch and will not eat them regardless of their nutritional value.

--Children must take all components of the total lunch, even though they do not intend to eat all of them. They are not allowed to take only the foods they intend to eat.

--Small children are provided oversized portions that they cannot finish.

--Schools must add additional protein items to various preference foods, such as pizza, to meet the Type A requirement. This lessens the appeal of the lunch to the students.

Department officials responsible for nutritional studies do not believe the Type A lunch requirement is a major cause of plate waste. They believe the primary causes of the plate waste are (1) foods not prepared in appetizing ways, (2) schools not aware of student preferences, and (3) poor lunchroom atmosphere. In their opinion, sufficient flexibility exists in the requirement to permit schools to provide a choice of foods. For example, a choice of two entrees and three or four fruits or vegetables can be offered within the requirement. They stated further that most schools make the same size portions for all grade levels even though some food groups can be offered in smaller portions to younger students and still meet the requirement.

Plate waste of donated commodities

As mentioned earlier, serving limited-appeal commodities can cause plate waste. Thirteen of the 15 districts in our review listed specific donated commodities that contribute to plate waste. The other two districts did not consider the commodities to be a cause of plate waste because they said they had the option to refuse or accept the commodities each time they were offered. Although other districts also have the option to refuse commodities, such refusals can erode

the level of Federal assistance received and consequently place a heavier financial burden on school districts. In any event, experience has shown that plate waste results if certain commodities are accepted and served to students. As shown in the following schedule, the limited-appeal commodities most frequently mentioned by the districts we reviewed were sweet potatoes, cranberry sauce, canned plums, and grapefruit juice. The first two were provided by the Department in each of the last 3 school years. Canned plums and grapefruit juice were offered only in school year 1973-74. A Department official indicated that grapefruit juice would not be offered again.

Donated Commodities Causing Plate Waste

| Commodity | Number of districts listing commodity as plate waste contributor | Frequency of offers 1973-74 | 1974-75 | 1975-76 |
|---|---|---|---|---|
| Sweet potatoes | 11 | X | X | X |
| Cranberry sauce | 11 | X | X | X |
| Grapefruit juice | 11 | X | | |
| Canned plums | 9 | X | | |
| Dry pitted prunes | 8 | | | X |
| Rice | 5 | X | | X |
| Canned poultry | 5 | X | X | X |

In addition, the Philadelphia and Cleveland districts indicated that receipt of excessive quantities and ill-timed deliveries sometimes forced schools to use the same commodities over and over--leading to a lack of menu variety and consequent plate waste. Other districts' officials said that excessive or poorly timed deliveries could contribute to plate waste but that the commodities are either refused or stored, thus avoiding menu monotony.

## SOLUTIONS TO REDUCE PLATE WASTE

Many of the advocated solutions to plate waste seem to require actions at the State and local level rather than at the Federal level. Many States and local officials believe, however, that relaxation of, or alternatives to, the Department's Type A lunch requirement and elimination of limited-appeal donated commodities would reduce plate waste.

The principal solutions to plate waste suggested by State and local school lunch officials include:

--Providing nutrition education as part of the school curriculum and promoting better student attitudes

toward the school lunch program.

--Providing greater food variety and more attractive lunches, including better menu planning and better identification of student food preferences.

--Improving lunchroom facilities and atmosphere, including increased supervision and reduced disruptions and time pressures during the lunch period.

According to program officials, application of some of the solutions in some of the 15 districts we visited reduced plate waste, but the officials agreed that additional actions must be taken. They recognize that a combination of the above solutions may be needed to satisfactorily reduce the problem. For example, one official told us that, even though nutrition education is effective in the lower grades, it is not a panacea. Children will not like the taste of some foods regardless of how much nutrition education they receive.

Some solutions are dependent on the availability of funds. One State official told us that an extensive nutrition education program could not be started in his State without Federal funding. Officials in other districts indicated it would be expensive to provide additional food choices. Thus the increased expense of some solutions would put an additional cost burden on school districts that are already experiencing cost increases.

## Alternatives involving the Type A lunch requirement

Public Law 94-105,which was approved October 7, 1975 (89 Stat. 511), amended the National School Lunch Act to allow senior high school students to accept the full Type A lunch or only that portion of the lunch they intend to eat. The Department also has sponsored studies to determine the effectiveness of using a nutrient standard in providing school lunches, compared with following the Type A lunch requirement.

### Impact of the senior high option

At the time of our review, the senior-high option had not been implemented locally, but most State and local officials believed it would reduce plate waste. Many officials indicated that the option should be extended to lower grade students, but some were opposed to extending it to elementary school students. They agreed that the option would reduce plate waste but felt that it would have an adverse effect on the young

children and on the overall school lunch program. They said that elementary school students

--have not had enough experience and nutrition education to select balanced meals;

--would not try new foods; and

--would be slow in making selections, causing bottlenecks and long serving lines.

Nutrient standard as an alternative to the Type A requirement

Department-sponsored studies have compared the Type A requirement to a proposed nutrient standard. In one study computers were used to assist in preparing nutrient standard menus. These studies show that the use of a nutrient standard does not reduce plate waste but does provide a more nutritional lunch. Although more expertise and management capability are required to implement the nutrient standard than the Type A requirement, the nutrient standard provides more accuracy in meeting the recommended dietary allowance. Even when a computer was used, the overall lunch costs remained the same.

One Department-sponsored study 1/ asked 29 menu planners to compare the impact of the Type A and the nutrient standard menu patterns on food and labor costs, food acceptability, menu planning, and food service work tasks. None of these menu planners were employed in the school districts we reviewed. Two-thirds of the menu planners preferred the nutrient standard menu and requested the opportunity to continue using it. The study recommended that the Department implement a nutrient standard for menu planning on a national scale because the method offered significant potential for providing improved nutritional lunches.

According to a Department official, the 29 menu planners were allowed to continue using the nutrient standard but all but two have now gone back to the Type A pattern because they considered it easier to follow. The Department's regulations do not allow the use of a nutrient standard menu on other than a test basis--as is the case with the two menu planners mentioned above--and the Department is not presently proposing a nutrient standard as an alternative to the Type A pattern.

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1/Phase II Report: Comparison of Type A and NSM Menus in the National School Lunch Program, Colorado State University, Contract No. 12-35-600-85, August 31, 1973.

Officials of one large school district in our review favored use of a nutrient standard in lieu of the Type A requirement because they believed some higher preference foods could be provided in a more appealing manner and at less cost. Foods, such as peanuts and cranberry sauce, in the portion size usually served by schools do not meet the component requirements of a Type A lunch. However, these commodities, now provided by the Department, could be counted in meeting the students' protein and nutrition needs if a nutrient standard were used. Use of such foods, therefore, could reduce the total lunch cost and enable schools to add to the lunch other foods children prefer.

We believe it would be beneficial to give schools the option of following either a nutrient standard or the Type A food pattern. Schools electing to use the nutrient standard for a particular meal would not need to include each of the food components of the Type A pattern--such as specific portions of meat or a meat alternate, vegetables and fruits, or bread--if the meal contained their nutrient equivalent.

## CHAPTER 5

## CASH OR COMMODITIES?

In the three Kansas school districts in our review that received cash in lieu of commodities, various inconveniences associated with the Federal commodity program were eliminated, costs were slightly reduced, and more menu variety was provided. As a result, officials of these districts favored cash in lieu of commodities. Officials in 9 of the other 12 districts in our review also favored cash. Most officials believed they could purchase more food with cash than they received under the commodity program and could eliminate many of their present commodity problems. Although food costs to smaller districts might be higher under a cash program, in some of these districts, officials believed the advantages of a cash program would outweigh such additional food costs.

The Department favors a reduction in commodity distributions and a comparable increase in cash payments but would want to leave certain options open to insure that the decrease in commodity donations would not adversely affect the surplus removal program. One option would require States to use the increased cash to purchase commodities specified to be surplus.

### HOW THE KANSAS CASH PROGRAM STARTED

In December 1973 the Department informed officials in Kansas and other States that commodities for schools and institutions would be sharply reduced or discontinued. According to a Kansas official this, along with the passage of food stamp legislation (Public Law 93-86, August 10, 1973, 87 Stat. 247) requiring all counties to have a food stamp program by July 1, 1974, convinced State officials to disband the State's commodity distribution operations.

In order not to penalize the State for its action, the Department incorporated a provision in its regulations effective October 4, 1974, based on the conference report preceding enactment of Public Law 93-326 (June 30, 1974, 88 Stat. 286) to allow States which had phased out their commodity programs before June 30, 1974, to receive all cash in lieu of any commodities. Kansas was the only State that qualified. Beginning in November 1974, each Kansas school district was paid 10 cents for each Type A meal served, and commodities were no longer donated for school lunches.

With the passage of Public Law 94-105, section 16 of the School Lunch Act was added to include the above provision. This section authorized the cash payments to be updated annually to reflect changes in the Consumer Price Index. As

a result, Kansas school districts received 11 cents per lunch in school year 1975-76.

## EXPERIENCE OF THREE KANSAS SCHOOL DISTRICTS UNDER THE CASH PROGRAM

Officials at the State and local levels of the school lunch program in Kansas favor cash over the commodity donation program because, according to the officials, the cash program has

--eliminated various inconveniences associated with the commodity program;

--reduced transportation, storage, and administrative costs associated with the commodity program;

--eliminated the need to deal with limited-appeal commodities previously provided under the commodity program; and

--allowed more food variety.

No State or local official that we interviewed in Kansas identified any new problems caused by the cash program.

### Elimination of inconveniences

Before coming under the cash program, the three Kansas districts experienced the same kind of difficulties with the commodity program as are discussed in chapter 3. Although district officials considered such difficulties to be inconveniences more than major problems, the cash program has eliminated them and has provided, according to the officials, a more efficient school lunch program. We were told that the principal inconveniences eliminated by the cash program were menu limitations and receipt of some commodities late in the school year, in undesirable package sizes, or in excessive quantities.

### Reduction in nonfood costs

At the three districts, we tried to determine what specific costs had been eliminated by the cash program. The following table shows the estimated school year 1973-74 costs eliminated by the cash program.

| | Kansas City | Salina | Oskaloosa |
|---|---|---|---|
| Incoming freight and storage | $ 7,166 | $5,114 | $388 |
| Local commercial storage | 6,730 | (a) | (a) |
| Local delivery costs | 2,470 | 1,092 | (a) |
| Administrative and clerical time | 3,502 | 450 | (b) |
| Manager's time | 4,439 | 600 | (b) |
| Total | $24,307 | $7,256 | $388 |
| Estimated cost reduction per meal | $0.0083 | $0.0093 | $0.0061 |

a/Cost was not incurred in this district.
b/We did not estimate this cost.

As shown above, the estimated cost reduction in each district was less than 1 cent per meal.

Comparisons of food costs

A study by the Department's Economic Research Service (ERS) and our analysis of the food costs of the three Kansas districts showed that larger school districts can purchase food at prices comparable to what the Department pays but that prices to smaller districts are greater.

In its study, ERS compared prices paid for 15 foods by the Department and by 150 randomly selected school systems of various sizes in school year 1973-74. In its February 1975 report, ERS concluded that large school districts--those with over 25,000 students--could buy foods as cheaply as the Department. However, school districts with less than 25,000 students, and particularly school districts with less than 2,500 students, paid higher prices than the Department paid. Department officials stated that the ERS study did not fully consider differences in quality between Department commodities and those obtained from other sources.

As part of our review in the three Kansas districts, we identified food items purchased by the districts which were similar to food items donated by the Department to other States (including an adjacent State) in school year 1974-75. We determined the total costs to the three districts for buying these items and compared their costs with the Department's costs. Our comparison supported the conclusions in the ERS study. The cost to the Kansas City school district for the selected food items was $0.0045 per meal less than the cost of the donated commodities; for the smaller Salina and Oskaloosa districts, respectively, costs were $0.0057 and $0.0231 per meal higher. Although we made cost comparisons,

we did not consider any differences in quality between Department and local purchases.

Despite the higher food costs, officials of the two smaller districts said they preferred the cash program. One said that the advantages of the cash program were worth the additional cost, and the other preferred cash because it resulted in reduced plate waste and better menu planning. We were told that some smaller school districts have organized cooperatives to take advantage of quantity discounts in buying food.

The Deputy Commissioner of Education in Kansas also believes that, overall, the benefits of the cash program outweigh any additional costs involved. He referred to improved State administrative operations and local school food service programs, the ability of the State Department of Education to implement and monitor the cash program with no additional clerical burden, and more flexibility in planning varied menus and avoiding unpopular food items.

Reduction in use of limited-appeal commodities

As shown in the table on the following page, the three Kansas districts did not buy, or used smaller amounts than in the preceding years of, 11 of the 28 commodities offered by the Department to other States in school year 1974-75. Kansas City, the largest school district in the State, did not buy nine of the commodities. Two of the more commonly cited limited-appeal items--cranberry sauce and sweet potatoes --were not purchased at all by two of the three Kansas districts.

Commodities Not Purchased by Three Kansas School Districts or Used in Lesser Amounts Under the Cash Program Than Under the Commodity Donation Program

| | Kansas City | | Salina | | Oskaloosa | |
|---|---|---|---|---|---|---|
| | Did not buy | Used less | Did not buy | Used less | Did not buy | Used less |
| Beans, dry | X | | | X | | X |
| Butter | X | | | X | | |
| Chicken, cut-up | | X | | X | | |
| Cranberry sauce | X | | X | | | X |
| Milk, dried | | | | X | | X |
| Orange juice | X | | | | X | |
| Pork, canned | X | | | X | X | |
| Poultry, canned | | X | | X | | X |
| Sweet potatoes | X | | X | | | X |
| Turkey, frozen | X | | | | | X |
| Turkey rolls | X | | | | | |
| Total | 8 | 2 | 2 | 6 | 2 | 6 |

OPINIONS OF SCHOOL DISTRICT OFFICIALS IN OTHER STATES

Officials from all nine of the districts in our review in Missouri, Ohio, and Pennsylvania favored cash over commodities, because they believed that

--a district can purchase a greater variety of food and provide a greater menu variety;

--administrative, processing, storage, and delivery costs can be reduced;

--a district can use only those commodities that work best in its system; and

--a district can receive its full Federal contribution which can be used to purchase more food than is now being provided.

Officials from the three California districts had varied opinions. The two larger districts favored a combined cash and commodity program with cash payments about equal to commodity donations. The smaller district favored the commodity program.

The California officials' views were consistent with the findings of a recent survey by the California School Food

Service Association. The association polled 16 California school districts, representing an enrollment of over 1.2 million students. Of the 16 districts polled, 2 preferred an all-cash program, 2 preferred the present commodity arrangement, and 12 advocated a mixed commodity-cash program in lieu of the present commodity program.

Most of the survey districts indicated that an equal mix of commodities and cash would accommodate the needs of the greatest number of districts. They believed that eliminating commodities altogether could impair the future stability of the child nutrition program. The supporters of an all-cash arrangement thought this would permit a more efficient use of funds. They believed that some commodities often in excess supply--cranberries and grapefruit juice--were items not acceptable to children and that money was being spent on commodities that did not make a significant contribution to meal requirements. Those that favored the existing commodity arrangement thought it allowed smaller districts to obtain foods, especially those in short supply, at lower cost because of the Department's greater purchasing power.

Officials in several smaller districts in the other States covered in our review recognized that the Department has greater purchasing power. Yet, these officials believed that the cash program would eliminate commodity program problems and enable them to obtain more food.

Our analysis of the Type A lunch costs of eight districts receiving commodities showed that none of the districts used 10 cents worth of donated commodities for each Type A lunch in school year 1974-75--the amount that would have been provided by a cash program. This resulted primarily because of commodity refusals by the districts and the limited use made of certain commodities that were accepted but were largely kept in inventory. The cash equivalent of donated commodities used by the eight districts ranged from 4.2 cents to 8.6 cents.

## DEPARTMENT OF AGRICULTURE'S PROPOSED BLOCK GRANT PROGRAM

At the time of our review, the Administration had proposed a comprehensive block grant program to consolidate the 15 feeding program elements currently administered by the Department. The program would authorize the Secretary, at his discretion, to distribute agricultural commodities to the States in lieu of amounts payable to them under the block grant program. To insure surplus commodity removal, the Secretary could, under the proposed program, issue vouchers that would enable the States to buy foods specified by the Secretary or reimburse the States in cash for all or part of the purchase price of commodities specified by the Secretary.

The Secretary would be required to give adequate notice to the States regarding the availability of commodities, the total value of which would not exceed 40 percent of the grant made available to each unless so requested.

The amount of commodities to be authorized under the proposed grant program--a flexible ceiling of 40 percent of the value of the combined funding for the 15 feeding program elements--could greatly exceed the amount of commodities donated to the schools under the current programs.

- - - -

There is the possibility that going to a total cash system in lieu of Federal commodity donations would hinder achievement of the Department's surplus removal and price support programs unless the purchases of approximately 90,000 schools could be coordinated, within specified time frames, to buy assigned quotas of designated, domestically produced commodities from areas where surpluses were greatest.

## CHAPTER 6

## CONCLUSIONS AND RECOMMENDATIONS

### CONCLUSIONS

Although improvements along the lines discussed in this report are needed, the Department's surplus removal and price support programs go a long way toward meeting the needs of local school districts.

Many problems encountered in using donated commodities in the school lunch program could be resolved if districts' needs and preferences were given adequate consideration by the States and were reported to FNS.

FNS has recognized the need to obtain information on the commodity preferences of school districts and has established procedures to obtain such information through the States. The preferences reported by the States are given a high degree of consideration in the Department's formulation of commodity purchase plans for the school lunch program. However, FNS needs to take adequate steps to insure that States are obtaining input from school districts and that the reported preferences are based on, and accurately reflect, the views and preferences of school districts. This, in turn, could minimize situations in which districts are offered commodities that are in amounts excess to their needs, are not in the desired form or size, or are difficult to use in some lunch preparation systems.

Better recognition of school district needs also could lead to some adjustments in the Department's purchasing of commodities to remove surpluses, to support prices, or to provide "traditional" items and could help reduce problems caused by districts being provided commodities that have limited appeal or that are received too late in the school year to be efficiently used.

Accurate identification of districts' preferences and needs, elimination of limited-appeal commodities, and more timely distribution of some commodities could

--increase Federal assistance to school districts which have refused large quantities of some commodities in the past;

--reduce storage, administrative, and processing costs; and

--reduce plate waste resulting from servings of limited-appeal commodities and repetitive servings of commodities received in excessive amounts or late in the school year.

At present, Kansas is the only State eligible to receive all cash in lieu of any donated Federal commodities. According to school officials in Kansas, this arrangement eliminated various inconveniences associated with the earlier commodity program and provided more menu variety. Many districts, especially the larger ones, would prefer to receive cash in lieu of commodities. Although commodity costs to the larger districts seem to be comparable to those of the Department, costs to the smaller districts appear to be higher.

Officials at all levels of the program recognize plate waste to be a problem and believe that nutrition education, more menu variety, and a better lunchroom atmosphere are the primary solutions. There is a difference of opinion between some school officials and FNS officials as to whether the Type A lunch requirement is a primary cause of plate waste.

It would be beneficial to include as an option to the Type A pattern a method, such as a nutrient standard, that would enable districts to count toward a school lunch requirement the combined nutrient values of the different food items served, even though all the required quantities and types of food in the Type A pattern were not served. Such a modification would permit more flexibility in menu planning and give the school districts the opportunity to experiment with menus which could result in better use of commodities and more desirable meals and therefore less plate waste.

## RECOMMENDATIONS TO THE SECRETARY OF AGRICULTURE

To improve the effectiveness of the school lunch program, we recommend that the Secretary of Agriculture:

--Establish procedures to insure that school districts' views on commodity needs, type, size, form, and quantity are fully and accurately reflected in State preference reports and are considered in the purchase and distribution of Federal commodities by the Department and the allocation of commodities to districts by the States.

--Establish procedures to require States to pass on to the school districts all commodity options offered by the Department.

--Expand the procedure of polling the States on the acceptability of commodities to include traditional as well as nontraditional items and to require the States to obtain district input when polls are taken.

--Identify and implement ways to improve the timing of Federal commodity deliveries.

--Establish a procedure for systematically reviewing the costs and benefits of providing commodities in more acceptable form and quality.

--Undertake greater promotion of nutrition education as a part of school health programs as one means of trying to reduce plate waste.

--Make greater efforts to encourage State and local school authorities to improve school lunch facilities and atmosphere.

--Require States to give districts more advance notice of commodity deliveries.

--Include a nutrient standard as an option to the Type A lunch pattern to provide menu planners with greater flexibility in using commodities.

AGENCY COMMENTS

In a letter dated January 11, 1977 (see app. III), the Department of Agriculture stated that it generally agreed with the conclusions and findings in our report and that the conclusions were fully consistent with the Department's experience in administering the programs. The Department stated that the report accurately presented its current policy positions, ongoing commodity donation operations, and the problems and solutions associated with plate waste. The Department stated that it would make every effort to implement our recommendations at the national level and would continue to cooperate with the States and encourage them to work with their local school districts toward an improved and effective school lunch program.

## CHAPTER 7

## SCOPE OF REVIEW

We made our review of the commodity donation program at the Federal, State, and local school district levels. In Washington, D.C., we visited the headquarters of FNS, ASCS, AMS, and the Animal and Plant Health Inspection Service and discussed the legislation, policies, and procedures applicable to the commodity donation program as carried out by these agencies with agency officials. We reviewed complaint files, correspondence files, procurement records, inspection reports, and other pertinent documentation. We visited FNS regional offices in Chicago, Illinois; Princeton, New Jersey; and San Francisco, California; to discuss regional policies and procedures and to review pertinent documentation on the implementation of the program. We also visited the AMS field office in Van Wert, Ohio, to observe grading procedures.

We visited State agencies involved in commodity distribution in California, Missouri, Ohio, and Pennsylvania to discuss their procedures for obtaining input from local school districts, allocating commodities, and handling complaints. We visited the State agency that handles the cash disbursements in Kansas to discuss its experience under the cash program.

To appreciate how the commodity distribution program impacted on the operation of the school lunch program in schools of different sizes, we selected and visited one very large, one medium sized, and one small school district in each of five States--California, Kansas, Missouri, Ohio, and Pennsylvania. Places visited included school district kitchens, business offices, warehouses, and lunchrooms. We visited schools in Kansas to compare their experiences under a cash only program with the experiences of similarly sized schools receiving federally donated commodities.

APPENDIX I

CHARLES A. VANIK
(TWENTY-SECOND DISTRICT, OHIO)

2171 RAYBURN BUILDING
WASHINGTON, D.C. 20515
(202) 225-6331

MEMBER: COMMITTEE ON
WAYS AND MEANS

# Congress of the United States
## House of Representatives
### Washington, D.C. 20515

U.S. COURT HOUSE
CLEVELAND, OHIO 44114
(216) 522-4234

SUITE 222
5031 MAYFIELD ROAD
LYNDHURST, OHIO 44124
(216) 522-4252

August 13, 1975

Mr. Vince Griffiths
General Accounting Office
Washington, D.C.

Dear Mr. Griffiths:

Enclosed herewith please find a copy of a letter and enclosures which we have received from George Theobold, Deputy Superintendent of Cleveland Public Schools in regard to the difficulties which they have experienced in commodity delivery service of the United States Department of Agriculture. [See GAO note below.]

I would like this letter and the enclosures fully reviewed and a study made by the General Accounting Office in regard to the complaints which are contained herein. There are many serious problems highlighted in this report which are worthy of a study by GAO. Ms Kathy Gallo is in charge of the administration of this program in Cleveland and she is fully prepared to further document the charges which have been made.

Thank you for your assistance in this matter.

Sincerely yours,

Charles A. Vanik
Member of Congress

CAV:pm
Enclosures

GAO Note: The enclosures are not reproduced in this report.

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# CONGRESS OF THE UNITED STATES
## HOUSE OF REPRESENTATIVES
### COMMITTEE ON EDUCATION AND LABOR
### SUBCOMMITTEE ON ELEMENTARY, SECONDARY AND VOCATIONAL EDUCATION

B-346C RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

November 18, 1975

Honorable Elmer B. Staats
Comptroller General of the
United States
Washington, D.C.

Dear Sir:

It is my understanding that my colleague, Congressman Charles Vanik, has requested the General Accounting Office to conduct a nationwide study of the commodity distribution program as it relates to the National School Lunch and Child Nutrition Acts. I am writing to you in order to join in this request of Congressman Vanik and to request that you conduct this audit for the Committee on Education and Labor.

During the upcoming year, the Subcommittee on Elementary, Secondary, and Vocational Education will be conducting extensive oversight hearings on the administration of the National School Lunch and Child Nutrition Acts. The audit which we are requesting on the commodity distribution program as it relates to those Acts will, therefore, be most useful to us during these hearings.

Thank you for your attention to this matter, and I know that your work will be most useful to the Committee.

Sincerely,

Carl D. Perkins
Chairman

CDP:jp

UNITED STATES DEPARTMENT OF AGRICULTURE
FOOD AND NUTRITION SERVICE
WASHINGTON, D.C. 20250

JAN 11 1977

Mr. Henry Eschwege, Director
Community and Economic Development Division
United Stated General Accounting Office

Dear Mr. Eschwege:

We agree in general with the findings and conclusions contained in the draft of your Report to the Committee on Education and Labor, House of Representatives, on the Impact of Federal Commodity Donations on the School Lunch Program. We find the conclusions--particularly your primary one that, "the Department's surplus removal and price support programs go a long way toward meeting the needs of local school districts--to be consistent with our own experience in administering the programs.

The Department's current policy positions and ongoing activities of the Food and Nutrition Service regarding donations of agricultural commodities and other foods to the Nation's schools and the problems and solutions associated with plate waste are, we believe, accurately portrayed in your draft report.

As a result of these findings, we will further emphasize to the States the need for improved communications and cooperation between State and local school districts on the program areas covered in this report. The following comments are furnished, on behalf of the Department, relating to the report and your recommendations:

1. "Establish procedures to insure that school districts' views are reflected in preference reports and considered in the purchase and distribution of Federal commodities. . ."

   --FNS will emphasize to States the need for wider dissemination of the preference report to their school districts. States will be required to notify FNS of the number of school districts they supply with the preference report and the number responding, and they will be encouraged to include their large and small districts, and those districts that have central preparation centers and unique preparation and delivery problems. While it might not be practical to obtain the views and preferences of the approximately 16,000 local school districts (90,000 schools), this procedure should produce accurate representative data.

APPENDIX III

The preference report itself will be revised to allow States to indicate the number of servings of each commodity they would like to receive. This will be an additional preference guide, as well as an indication of acceptable quantity.

The revised form will also provide an opportunity for States to identify the foods they consider least desirable.

2. "Establish procedures to require States to pass on to the school districts all commodity options offered by the Department."

--States will be encouraged to offer all options made available by FNS to all school districts, and FNS Regional Offices will be instructed to conduct appropriate follow-up procedures.

3. "Expand the procedure of polling the States on the acceptability of commodities to include traditional as well as nontraditional items and to require the States to obtain district input. . ."

--At the present, all States are polled on the acceptability of any nontraditional food or one that has not been distributed in the past few years. FNS does not always poll States on acceptability of items traditionally furnished with section 32 funds, but does systematically verify with States that the quantities and timing of deliveries are acceptable. FNS assumed that State responses were based on appropriate input from school districts.

Since this study was conducted, the Department has instituted a policy of permitting States to requisition section 416 commodities in CCC inventory as needed within an overall dollar limitation. This has already had the effect of a net increase in distribution of such traditional items, because the States can obtain the quantities they can use, and decline without disadvantage items they prefer not to receive.

In the future, the need for local input concerning commodity acceptability will be stressed.

4. "Identify and implement ways to improve the timing of Federal commodity deliveries."

--The Department is required, for the most part, to give first priority to items in surplus and in need of price support, so that controls over the timing of availability and deliveries are often restricted. However, the Department has made purchases earlier in the current school year, thus insuring earlier deliveries, and

States are now asked to specify on their individual orders the portion of the shipping period most suitable to their ability to accept commodities. Greater efforts will continue to be made to achieve improvements and we will encourage the States to establish similar procedures to the extent possible in making deliveries to their local districts.

5. "Establish a procedure for systematically reviewing the costs and benefits of providing commodities in more acceptable form and quality."

--The Department continuously reviews ways to improve commodity acceptability, whether by purchasing traditional foods in a more convenient form, initiating purchases of new foods, or developing or improving specifications. Some examples of more convenient or new products are turkey rolls, cooked breaded chicken, and frozen vegetables. New specifications have been developed for four types of flour for baking, and existing specifications have been improved for canned poultry and vegetables. Also, considerable cost savings have been realized by the Department and by school districts from purchases of frozen orange juice in a more concentrated form and transportation savings have been realized from bulk shipments of the frozen orange juice concentrate and bulk flour for baking. We will strive to continue exploring ways and means of making further progress in this area.

6. "Undertake greater promotion of nutrition education as a part of school health programs as one means of trying to reduce plate waste."

--The Department lacks legislative authority to require nutrition education as a part of school health programs. While we do strongly encourage local school districts to include such activities in both classrooms and lunchrooms, the Department is specifically prohibited under Section 12(c) of the National School Lunch Act from imposing. . . "any requirement with respect to teaching personnel, curriculum, instructions, methods of instruction, and materials of instruction in any school" as a condition for participation in the Program.

In its efforts to promote nutrition education FNS has provided funds under Section 6(a)3 of the National School Lunch Act for grants to States and contractual agreements for projects in nutritional training or education for workers, cooperators, and participants in the child nutrition programs. From these projects,

audiovisual and print materials have been developed for use in the classroom. FNS will continue to encourage school food service personnel to work cooperatively with teachers in their nutrition education efforts through State, regional, and national meetings.

7. "Make greater efforts to encourage State and local school authorities to improve school lunch facilities and atmosphere."

--As stated in your draft report, we agree with many State and local officials who believe that improved facilities with a better lunchroom atmosphere is one of the primary solutions to the plate waste problem. Since Federal Nonfood Assistance Funds are restricted to food service equipment procurement and no funding for building acquisitions, updating or improvements are authorized, the Department's role must be one of encouragement and guidance and actual improvements are local school district responsibilities. Despite restrictive local school district budgets and funding cuts in recent years, the Department has been effective through the High School Participation Study, the joint USDA-ASFSA Child Nutrition Bicentennial Project, and some special developmental projects, funded under authority of Section 10 of the National School Lunch Act, in encouraging improved food service facilities and atmosphere. We shall continue such encouragement through similar promotions, on site review visits, management and technical assistance visits, and workshops.

8. "Require States to give districts more advanced notice of commodity deliveries."

--Improvements can be made, and the Department plans to work out improved delivery techniques with the State Distributing Agencies at the next National Food Distribution Workshop, to be held later this year.

9. "Include a nutrient standard as an option to the Type A Lunch pattern to provide greater flexibility in using commodities."

--The nutrient standard and Type A pattern are two methods of planning menus designed to achieve the same nutrient goal, which is approximately one-third of the Recommended Dietary Allowances for children of various age groups. School foodservice managers who have participated in the pilot studies using the nutrient standard have found limited opportunity to plan meals that meet the nutrient goal of the NSLP over a period of time without including each type of food required in the Type A pattern. The successful application of the nutrient standard method generally requires a totally standardized foodservice system. Because of this, use of the nutrient standard may not result in more flexibility in actual operation of a school foodservice or in more effective utilization of commodities.

APPENDIX III

The Department will continue to work with schools to further develop and test the manual and computer-assisted methods of planning nutrient standard menus to determine the viability of these methods prior to considering the establishment of the nutrient standard as an option to the Type A pattern.

In addition to your nine recommendations, the report discussed a total cash system. Such a system would hinder achievement of the Department's surplus removal and price support programs because the purchases of approximately 90,000 schools could not be coordinated, within specified time frames, to buy assigned quotas of designated commodities from areas where surpluses were greatest. Also, assigning quotas of commodities to individual schools has been found not to achieve the purposes of the Commodity Program in that such a procedure does not take into consideration local preferences, storage and food preparation facilities. In addition, such a program would deprive the Department of the options it currently has of reducing or cancelling purchase activities to respond to sudden changes in market conditions.

With consideration of the above comments, we appreciate these recommendations for improving the Department's food donation program and will make every effort to implement them at the national level. We will continue to cooperate with the States and encourage them to work with their local districts towards an improved and effective school lunch program.

Sincerely,

Acting Administrator

APPENDIX IV

SCHOOL DISTRICTS' ENROLLMENT AND NUMBER OF LUNCHES SERVED IN SCHOOL YEAR 1974-75

| Districts | Enrollment | Number of Type A lunches served yearly | Average number of Type A lunches served daily |
|---|---|---|---|
| Larger: | | | |
| Los Angeles, Calif. | 604,598 | 45,117,635 | 253,807 |
| Philadelphia, Pa. | 255,159 | 20,535,070 | 108,651 |
| Cleveland, Ohio | 132,362 | 12,800,232 | 71,112 |
| St. Louis, Mo. | 82,901 | 8,496,537 | 40,620 |
| Kansas City, Kans. | 29,115 | 3,169,998 | 17,809 |
| Medium: | | | |
| Neshaminy, Pa. | 12,957 | 946,589 | 5,230 |
| Raytown, Mo. | 12,115 | 1,496,850 | 6,202 |
| Elyria, Ohio | 10,758 | 1,107,999 | 6,212 |
| Salina, Kans. | 9,198 | 832,257 | 4,525 |
| Paramount City, Calif. | 9,096 | 663,604 | 3,814 |
| Smaller: | | | |
| Perris, Calif. | 1,055 | 116,293 | 665 |
| Jenkintown, Pa. | 825 | 24,515 | 137 |
| Oskaloosa, Kans. | 472 | 62,978 | 324 |
| Vanlue, Ohio | 431 | 45,946 | 255 |
| Kingsville, Mo. | 292 | 44,791 | 248 |

APPENDIX V

# The Type A Lunch Pattern . . .

The nutritional goal for school lunches is to furnish at least one-third of the Recommended Daily Dietary Allowances of the National Research Council for children of various age groups. The Type A lunch requirements provide the framework for nutritionally adequate school lunches. The kinds and amounts of foods listed in the Type A lunch pattern are based on the 1968 Recommended Daily Dietary Allowances for 10- to 12-year old boys and girls.

As specified in the National School Lunch Regulations, a Type A lunch shall contain as a minimum each of the following food components in the amounts indicated:

**MEAT AND MEAT ALTERNATE**

Two ounces (edible portion as served) of lean meat, poultry or fish; or two ounces of cheese; or one egg; or one-half cup of cooked dry beans or dry peas; or four tablespoons of peanut butter; or an equivalent of any combination of the above-listed foods. To be counted in meeting this requirement, these foods must be served in a main dish or in a main dish and one other menu item.

**VEGETABLES AND FRUITS**

Three-fourths cup serving consisting of two or more vegetables or fruits or both. A serving (½ cup or more) of full-strength vegetable or fruit juice may be counted to meet not more than ¼ cup of this requirement.

**BREAD**

One slice of whole-grain or enriched bread; or a serving of other bread such as cornbread, biscuits, rolls, muffins, made of whole-grain or enriched meal or flour.

**BUTTER OR FORTIFIED MARGARINE** [See GAO note below.]

One teaspoon of butter or fortified margarine.

**FLUID MILK**

One-half pint of fluid milk as a beverage.

Add Other Foods not part of the lunch requirements as needed to complete lunches, to help improve acceptability and to provide additional food energy and other nutrients.

To help assure that all Type A lunches meet the nutritional goal, it is recommended that lunches include:

. . . a VITAMIN A vegetable or fruit at least twice a week.
. . . a VITAMIN C vegetable or fruit several times a week.
. . . several foods for IRON each day.

It is also recommended that:

. . . Fat in the Type A lunch be kept at a moderate level.
. . . Iodized Salt be used in preparing lunches.

Since younger children are not always able to eat the amounts specified in the Type A lunch, the regulations permit serving these children lesser amounts of selected foods than are specified above.

To meet the nutritional needs of teenagers, the regulations endorse encouraging the serving to older boys and girls of larger amounts of selected foods than are specified in the Type A lunch requirements.

GAO Note: This requirement was eliminated effective June 3, 1976.

APPENDIX VI

## FEDERAL CONTRIBUTIONS TO THE SCHOOL LUNCH PROGRAM

| | School year | | |
|---|---|---|---|
| | 1973-74 | 1974-75 | 1975-76 (note a) |
| | (000 omitted) | | |
| Cash payments to States: | | | |
| Section 11 | $ 681,540 | $ 818,373 | $ 980,533 |
| Section 4 | 407,923 | 466,856 | 521,300 |
| Section 6 | - | - | 32,541 |
| Section 16 | - | 5,049 | 5,775 |
| Total cash payments | 1,089,463 | 1,290,278 | 1,540,149 |
| Commodity donations to States (note b): | | | |
| Section 32 | 118,384 | 222,284 | 185,567 |
| Section 416 | 125,372 | 125,221 | 155,652 |
| Section 6 | 64,320 | 64,321 | 79,880 |
| Section 14 | - | - | 12,369 |
| Total commodity donations | 308,076 | 411,826 | 433,468 |
| Total Federal contributions | $1,397,539 | $1,702,104 | $1,973,617 |

a/Estimated.

b/ Represents the total value of commodity support provided to the States for school lunch and school breakfast programs.

APPENDIX VII

ESTIMATED COSTS PER TYPE A LUNCH
FOR 10 DISTRICTS IN SCHOOL YEAR
1973-74 AND 1974-75 1/

| Cost category | Ohio | | | | Pennsylvania | | | | California | | | | Missouri | | | | Kansas 5/ | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cleveland | | Elyria | | Philadelphia | | Neshaminy | | Los Angeles | | Paramount City | | St. Louis | | Raytown | | Kansas City | | Salina | |
| | School Year | | School Year | | School year | | School year | | School Year | | School Year | | School Year | | School Year | | School Year | | School Year | |
| | 1973-74 | 1974-75 | 1973-74 | 1974-75 | 1973-74 | 1974-75 | 1973-74 | 1974-75 | 1973-74 | 1974-75 | 1973-74 | 1974-75 | 1973-74 | 1974-75 | 1973-74 | 1974-75 | 1973-74 | 1974-75 | 1973-74 | 1974-75 |
| Donated commodities | $.077 | $.065 | $.042 | $.042 | $.055 | $.060 | $.054 | $.078 | $.047 | $.057 | $.049 | $.068 | $.049 | $.063 | $.065 | $.086 | $.063 | $.020 | $.077 | $.028 |
| Local food purchases | .380 | .421 | .437 | .412 | .380 | .410 | .320 | .363 | .266 | .306 | .240 | .271 | .356 | .330 | .304 | .301 | .402 | .402 | .317 | .371 |
| In-house processing | .306 | .369 | .331 | .376 | .285 | .295 | .269 | .336 | .357 | .395 | .322 | .338 | .183 | .224 | .243 | .280 | .334 | .339 | .245 | .287 |
| Outside processing | .009 | .031 2/ | .011 | .004 | -0- | -0- 3/ | .014 | .006 | .003 | .007 | -0- | -0- | .002 | .001 | -0- | -0- | -0- | -0- | -0- | -0- |
| Transportation | .044 | .050 | .022 | .020 | .036 | .034 | .004 | .006 | .009 | .009 | .010 | .011 | .021 | .017 | .003 | .003 | .005 | .007 | .015 | .017 |
| Storage and handling | .005 | .006 | .002 | .003 | .001 | .001 | .002 | .003 | .013 | .014 | .005 | .007 | .005 | .006 | .003 | .003 | .003 | -0- | -0- | -0- |
| Administrative | .009 | .012 | .021 | .027 | .198 | .197 4/ | .052 | .052 | .017 | .021 | .038 | .041 | .073 | .086 | .034 | .044 | .065 | .069 | .019 | .022 |
| Other | .012 | .011 | -0- | -0 | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- | .016 | .019 | .002 | .001 | .010 | .010 | .022 | .026 |
| Total | $.842 | $.965 | $.866 | $.884 | $.955 | $.997 | $.715 | $.844 | $.712 | $.809 | $.664 | $.736 | $.705 | $.746 | $.654 | $.718 | $.882 | $.847 | $.695 | $.751 |
| Number of Type A lunches served | 10,754 | 12,800 | 733 | 1,108 | 17,026 | 20,664 | 1,060 | 947 | 41,914 | 45,178 | 556 | 664 | 8,266 | 8,497 | 1,537 | 1,497 | 3,055 | 3,170 | 781 | 832 |

1/The cost records of the districts did not permit the identifying of actual cost data. The estimated cost was determined from available school records and discussed with district officials who agreed that the figures are realistic. Philadelphia estimates include the summer program cost because the cost for the two programs could not be separated. Summer enrollment was 129,000 compared to 20.5 million for the regular lunch program.

2/The district's accounting system only permits identification of a portion of the outside processing cost. The majority of the outside processing cost is included in the local food purchase cost.

3/The district's accounting system does not identify outside processing cost. The outside processing cost is included in the local food purchase cost.

4/A portion of the total Philadelphia District's General and Administrative cost was allocated to the school lunch program based on the program's total cost as compared to the cost of other programs in the District.

5/The two Kansas districts received commodities in school year 1973-74 and cash in school year 1974-75; the commodities used in 1974-75 were carried over from the prior year.

APPENDIX VIII

Previous edition obsolete

FORM FNS-35 (7-75) U.S. DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE

FORM APPROVED OMB NO. 40-R3568

**FOOD PREFERENCE REPORT**
(School Lunch Purchases Under Section 6)
FNS(CN) Instr. 794-11

REPORT FOR FISCAL YEAR 19

STATE

**INSTRUCTIONS**: *Please submit an original and one copy to the FNS Regional Office not later than May 15. Place an "X" beside the six most preferred food items in each of the three columns. Use the space at the bottom, or the reverse, to list additional items you wish to have considered, as well as any comments relative to grade, quality, package, or can size and acceptability of individual products. Begin comments with name of product.*

**(All items listed below are canned unless otherwise specified.)**

| "X" SIX ONLY | 1 PROTEIN FOODS | "X" SIX ONLY | 2 FRUITS | "X" SIX ONLY | 3 VEGETABLES |
|---|---|---|---|---|---|
| | Beans, Dry, Packaged | | Applesauce | | Beans, Green |
| | Beef, Frozen Ground | | Apple Slices | | Beans, Green, Frozen |
| | Beef, Natural Juice | | Apricots, Whole Peeled | | Corn |
| | Cheese, Natural Bulk | | Apricots, Unpeeled Halves | | Corn, Frozen |
| | Cheese, Processed Loaves | | Fruit Cocktail | | Peas, Green |
| | Chicken, Frozen | | Grapefruit Sections | | Peas, Green, Frozen |
| | Frankfurters, Frozen | | Orange Juice, Conc., Frozen | | Potatoes, French Fr., Frozen |
| | Peanut Butter | | Peaches, Halves | | Potatoes, Dehy., Packaged |
| | Pork, Natural Juices | | Peaches, Sliced/Diced | | Sweet Potatoes, Syrup, Pack |
| | Poultry, Boned | | Pears, Halves | | Tomatoes, Peeled |
| | Turkeys, Frozen | | Pears, Qtrs., Sliced/Diced | | Tomato Paste/Puree |
| | Turkey Rolls, Frozen | | Pineapple, Tidbits/Crushed | | Vegetables, Mixed Frozen |
| | | | Prunes, Dried, Pitted | | |
| | | | Raisins, Dried, Packaged | | |

Preferences are not binding on the U.S. Department of Agriculture; and, while the Food and Nutrition Service will include these in its planning, distribution may be made of these food items or others so that the requirements of current laws will be met.

COMMENTS: **(Your comments are important, they will help us serve you better.)**

| DATE | SIGNATURE OF SCHOOL LUNCH DIRECTOR |
|---|---|
| | |

APPENDIX IX

## COMMODITIES PROVIDED BY FNS

| Commodity | School year 1973-74 | 1974-75 | 1975-76 |
|---|---|---|---|
| Section 6: | | | |
| Beans, dry | | X | X |
| Beef, frozen ground | X | X | X |
| Beef patties, frozen | | | X |
| Chicken, frozen cut-up | X | X | X |
| Frankfurters | X | X | |
| French fries | X | X | X |
| Orange juice | | | X |
| Peaches, canned | X | X | |
| Peas | | | X |
| Pineapple, canned | X | | |
| Pork, frozen ground | X | | |
| Sweet potatoes, canned | X | X | X |
| Turkey rolls | | X | |
| Section 32: | | | |
| Applesauce, canned | | X | X |
| Apricots, canned | | | X |
| Beans, dry | X | X | X |
| Beans, green | X | X | X |
| Beef, canned | | X | X |
| Beef, frozen ground | X | X | X |
| Beef patties, frozen | | | X |
| Corn | | | X |
| Cranberry sauce | X | X | X |
| Grapefruit juice | X | | |
| Lentils | X | | |
| Milk, whole dry | X | | |
| Orange juice | X | X | |
| Peaches, canned | | X | |
| Peanut butter | X | X | X |
| Peanut granules | X | X | |
| Pears, canned | X | | X |
| Plums, canned | X | | |
| Pork, canned | | X | |
| Poultry, canned boned | X | X | X |
| Prunes, dry pitted | | | X |
| Raisins | | | X |
| Split peas, dry | X | | |
| Tomato paste, canned | | | X |
| Tomatoes, canned | X | | X |
| Turkey, frozen | X | X | X |

APPENDIX IX

| Commodity | School year 1973-74 | 1974-75 | 1975-76 |
|---|---|---|---|
| Section 416: | | | |
| Bulgur | X | | |
| Butter | X | X | X |
| Cheese, bulk cheddar | | X | |
| Cheese, process | | X | X |
| Cornmeal | X | | |
| Farina | X | | |
| Flour | X | | X |
| Grits | X | | |
| Margarine, peanut oil | | | X |
| Margarine, vegetable oil | X | | |
| Milk, dried | X | X | X |
| Oats, rolled | X | | |
| Peanut granules | | | X |
| Peanuts, roasted | | | X |
| Rice | X | | X |
| Salad oil | X | | |
| Shortening, peanut oil | | | X |
| Shortening, vegetable oil | X | | |
| Wheat, rolled | X | | |

APPENDIX X

COMMODITIES REFUSED BY

STATES IN SCHOOL YEARS

1973-74 THROUGH 1975-76 (note a)

| Commodity | Pennsylvania | California | Missouri | Kansas |
|---|---|---|---|---|
| Section 32: | | | | |
| Beans, dry | X | | | |
| Cranberry sauce | X | | | |
| Lentils | | | | X |
| Orange juice | | | X | |
| Prunes, dried | | X | | |
| Raisins | | | X | |
| Section 416: | | | | |
| Flour | X | | | |
| Milk, dried | X | | X | |
| Oats, rolled | X | | | |
| Peanut oil | X | | | |
| Rice | X | | | |
| Shortening, peanut oil | X | | | |

a/Ohio did not refuse any commodities.

APPENDIX XI

COMMODITIES REFUSED BY

SCHOOL DISTRICTS IN SCHOOL YEARS

1973-74 THROUGH 1975-76

| Commodity | Ohio | | | Pennsylvania | | | California | | | Missouri | | | Kansas | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cleveland | Elyria | Vanlue | Philadelphia | Neshaminy | Jenkintown | Los Angeles | Paramount City | Perris | St. Louis | Raytown | Kingsville | Kansas City | Salina | Oskaloosa |
| Section 6: | | | | | | | | | | | | | | | |
| Beef patties | X | | | | | | | | | | | | | | |
| French fries | | X | | | | | X | | X | | | | | X | |
| Orange juice (note a) | | X | X | | X | | X | X | X | | | | | | |
| Sweet potatoes | | | | | | | X | X | X | | | | | X | |
| Section 32: | | | | | | | | | | | | | | | |
| Beans, dry | X | X | X | X | X | | | | X | | | | X | X | |
| Beans, green | | | X | | | | | | X | | | | | | |
| Beef, ground frozen | | | | | | | | | X | | | | | | |
| Cranberry sauce | | X | | X | X | | X | X | X | | | | | X | |
| Corn | | | X | | | | | | | | | | | | |
| Grapefruit juice | | X | | | | | X | X | X | | | | | X | |
| Lentils | | | | | | | X | | | | | | | | |
| Peanut butter | X | X | X | X | | | | X | X | | | | | | |
| Peanut granules | | | | X | | X | | | | | | | | | |
| Plums | | | | | | | | | | | | | | X | |
| Poultry, canned | | | | X | | | X | | X | | | | | | |
| Prunes, dried | X | X | X | X | | X | X | | X | | | | X | | |
| Raisins | | X | X | | | X | | | | | | | X | | |
| Tomato paste | | | | | | | | | X | | | | | | |
| Tomatoes, canned | | | | | | | X | | | | | | | | |
| Turkey | | | | | | | | | X | | | | | | |
| Section 416: | | | | | | | | | | | | | | | |
| Bulgur | | | | | | | X | X | X | | | | X | X | |
| Cheese process | | X | | | | | | | X | | | | | | |
| Cornmeal | X | X | X | | | X | X | | X | | | | X | X | |
| Farina | | | | | | | X | | | | | | | | |
| Flour | | X | X | | | X | | X | X | | | | X | X | |
| Margarine | | | | X | | | | | | | | | | | |
| Milk, dried | X | X | X | X | X | | X | X | X | | | | | | |
| Oats, rolled | X | X | X | | | | | X | | | | | X | X | |
| Rice | X | X | X | | | | | X | | X | | | X | X | |
| Salad Oil | | X | X | X | | | | | | | | | | X | |
| Shortening, peanut | | X | | X | | | | | | | | | | | |
| Shortening, vegetable | | X | | | | | | X | X | | | | | | |
| Wheat, rolled | X | X | X | | | | | | X | | | | X | | |

a/The portion of the orange juice that was refused in school years 1973-74 and 1974-75 was purchased with section 32 funds. The 1975-76 refusals were purchased with section 6 funds.

APPENDIX XII

## VALUE OF COMMODITIES RECEIVED PER TYPE A LUNCH BY DISTRICTS IN SCHOOL YEARS 1973-74 AND 1974-75

| State and District | Dollar value of commodities received | | Number of Type A lunches served | | Dollar value per Type A lunch received | |
|---|---|---|---|---|---|---|
| | 1973-74 | 1974-75 | 1973-74 | 1974-75 | 1973-74 | 1974-75 |
| | ----------(000 omitted)---------- | | | | | |
| California: | | | | | | |
| Los Angeles | $2,832 | $3,798 | 41,914 | 45,178 | $.07 | $.08 |
| Paramount City | 46 | 69 | 556 | 664 | .08 | .10 |
| Missouri: | | | | | | |
| St. Louis | 428 | 764 | 8,266 | 8,497 | .05 | .09 |
| Raytown | 105 | 131 | 1,537 | 1,497 | .07 | .09 |
| Pennsylvania: | | | | | | |
| Philadelphia | 832 | 1,475 | 17,026 | 20,664 | .05 | .07 |
| Neshaminy | 56 | 80 | 1,060 | 947 | .05 | .08 |
| Ohio: | | | | | | |
| Cleveland | 881 | 1,167 | 10,754 | 12,800 | .08 | .09 |
| Elyria | 34 | 50 | 773 | 1,108 | .04 | .05 |